STIP TIPS

An informational newsletter for programming in the 2006 STIP

Issue 1   August 5, 2005

Where have we been?

Every two years we get ready to hopefully add new projects to the STIP. The "official" kick-off is when the Draft Fund Estimate is presented to the CTC. For the Department, the 2006 STIP cycle began in February 2005 with a Statewide Video Teleconference (VTC) to share information and expectations on the ITIP development. This is where we heard about the two-tiered fund estimate outlining the best (Tier 2(A)) and worst (Tier 1(B)) case funding scenarios.

A second statewide VTC was held in April 2005 to update everyone on the Fund Estimate development and discuss funding levels for the two tiers. The uncertainties in the assumptions for the Fund Estimate, particularly Proposition 42 loan repayment and Gaming Bonds, were driving factors for the discussion of a two-tier fund estimate.

To be able to effectively schedule and prioritize projects for funding, Ross Chittenden stated financial plans for projects would need to be updated for all existing projects. Also at this conference, Ross indicated that the CTC would be conducting a workshop to discuss allocations for FY 05-06 and Performance Measures. Since these two items directly affect the programming of projects into the 2006 STIP, a third VTC was scheduled for mid June.

The word from the CTC workshop was that there would be approximately $500 million available for STIP allocations in FY 05-06 between July and September of 2005. Since this is not enough funding to allocate all FY 05-06 projects, they also approved an Allocation Plan and Criteria in July to prioritize the $500 million. The CTC also discussed Performance Measures proposals for possible incorporation into the CTC STIP Guidelines.

In regards to 2005-06 allocations...

With the exception of a few high priority projects, allocations will be given on a first come first serve basis only for projects that are ready, until $500 million is reached or September 2005. Projects receiving allocations are expected to be awarded to a contractor within 4 months of the allocation. A time extension will be needed if the project is not awarded within 6 months of the allocation. Projects coming in for an allocation are to be RTL and any project without all constraints cleared and permits approved will need to have a Risk Vote and Risk Advertise approval.

At the July CTC meeting, several critical issues were decided. The Draft Fund Estimate was presented which outlined funding scenarios, detailing that Tier 2 (A) would add an addition $2.1 billion to the STIP, whereas under Tier 1 (B) none of the STIP would be funded. It's worth noting that a significant amount of the $2.1 billion of new capacity is Public Transit Account (PTA) funding and that may impact the project mix in the STIP.

The CTC also delayed adoption of the Fund Estimate to the September 29 CTC meeting, due to uncertainties in Federal Reauthorization and funding for the Bay Bridge. This delay affects the proposed ITIP and RTIP's due dates to the CTC, and changes the date for STIP adoption. The CTC is expected to approve a revised schedule at the August meeting. A revised tentative schedule is posted on the STIP website.

www.dot.ca.gov/hq/transprog/STIP2006/stip2006.htm

To provide a one-stop resource, Transportation Programming created a 2006 STIP Resource Page. The webpage was brought online April 29. All information distributed from VTC's and the CTC workshops, as well as critical information from CTC meetings (including the Draft Fund Estimate) is available on the website. The website address is shown at the bottom of this newsletter.

Where are we going?

Considering all that has happened to date and looking forward…

ITIP TE Projects:
The timeline for new ITIP TE project applications will remain as per the original schedule. Because the original schedule was subsequently found to be too compressed for eligibility and prioritization work, the final submittal deadline for ITIP TE applications to John Haynes will remain August 19. TE project Fact and Funding sheets, along with project Screening Sheets, for eligible projects are due in September.

On the bright side, we are very confident that there will be somewhere in the neighborhood of around $50 million of new ITIP TE programming capacity in this programming cycle. Keep working on your ITIP TE proposals!

Non–TE ITIP Projects:
Unfortunately, it's now anticipated that we will not have programming targets until the Fund Estimate is adopted in late September. Re-programming work is heavily dependent upon these targets so the schedule has been modified to accommodate this change. New ITIP (non-TE) projects being proposed for the ITIP should have approved PSR's, 2006 STIP Nomination Fact and Funding sheets and Screening sheets to HQ Programming by mid-September. A draft straw ITIP proposal is now planned for mid-October. Once the straw ITIP is available, discussions with Regional partners should occur to determine project priorities.

Given what we know to date, under the best scenario, the ITIP could have about $300 million of new programming. This assumes the CTC will ask the department to repay the current $225 million ITIP advance by favoring regions with currently un-programmed STIP shares on the books. However, this exciting news is tempered by the fact that identified cost increases to existing programmed ITIP project components appear to exceed $400 million. This cost

increase data was compiled from the project financial plans prepared and submitted this past May/June.

Tier 2(A) Funding Scenario	
New STIP Capacity	$2.1 Billion
	X 25%
ITIP share	$525 million
Current ITIP advance	- $225 million

What's Going On:
Individual district VTC's will be scheduled toward the beginning of November to discuss revisions to the ITIP straw proposal. Since the ITIP proposal development is an iterative process, at least one additional meeting with the districts will be scheduled to finalize priorities and funding for projects, probably late November/early December.

What Should Districts Be Doing Now?
Where scope or costs are substantially changed, PCR's will be needed to support programming revisions to the 2006 ITIP. Don't wait. Get them in soon.

Updated Fact and Funding Sheets will be required for all projects in the 2006 STIP. To help with this job, pre-populated forms with current programming information for all STIP projects are available for downloading from the 2006 STIP Resource Website (link below). Use these sheets for any changes to currently programmed STIP projects. Do not create a new Fact and Funds sheet from scratch for existing STIP projects.

www.dot.ca.gov/hq/transprog/STIP2006/FF_link_Frameset.htm

For new STIP project proposals, a blank 2006 STIP Nomination Fact and Funding sheet should be used. These are available on the 2006 STIP Resource page at the following site:

www.dot.ca.gov/hq/transprog/STIP2006/stip2006.htm

Next Issue:
Look for future issues of STIP TIPS monthly.

www.dot.ca.gov/hq/transprog/STIP2006/stip2006.htm